

**REMARKS**

Claims 1-17 stand rejected based on 35 U.S.C. section 101 as being directed to non-statutory subject matter. Claim 1 has been amended to more clearly set forth that the claimed usage rights comprise data specifying a permitted use of the content.

The Supreme Court has recognized that Congress chose expansive language for section 101 to include “anything under the sun that is made by man” as statutory subject matter. M.P.E.P. § 2106 *citing Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 U.S.P.Q. 193, 197 (1980). The Federal Circuit further recognizes that the “use of the expansive term ‘any’... represents Congress’s intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in section 101.” *In re Alappat*, 33 F.3d 1526, 1542, 31 U.S.P.Q.2d 1545, 1556 (Fed. Cir. 1994) (emphasis added). There are, however, “three categories of subject matter for which one may not obtain patent protection, namely ‘laws of nature, natural phenomena, and abstract ideas.’” *Id. quoting Diamond v. Diehr*, 450 U.S. 175, 185. n18, 209 U.S.P.Q. 1, 7 (1981). In summary, notwithstanding the exceptions of *Diehr*, “any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent.” M.P.E.P. § 2106.

The United States Patent and Trademark Office (“USPTO”) recognizes that “computer programs embodied in a tangible medium...are patentable subject matter under 35 U.S.C. § 101”. *In re Bearegard*, 53 F.3d 1583, 1584, 35 U.S.P.Q.2d 1383 (Fed. Cir. 1995). Furthermore, the Federal Circuit recognizes as patentable subject matter a “memory containing stored information” even where the stored data “exist as a collection of bits having information about the relationship between [attribute data objects] ADOs.” *See In re Lowry*, 32 F.3d 1579, 1582-83, 32 U.S.P.Q.2d 1031 (Fed. Cir. 1994).

An inquiry into patentable subject matter requires examining whether a concept has been reduced to some practical application that renders it “useful.” *Apallat*, 33 F.3d at 1544, 31 U.S.P.Q.2d at 1557 (claim held to be more than an abstract idea where the claimed invention as a whole was directed toward forming a specific machine that produced a useful, concrete and tangible result of a waveform display).

The Examiner, of course, has the initial burden of establishing a *prima facie* basis to deny patentability to a claimed invention under any statutory provision. *In re Mayne*, 104 F.3d 1339, 1341, 41 U.S.P.Q.2d 1451, 1453 (Fed. Cir. 1997). In rejecting a claim under 35 U.S.C. § 101, the *prima facie* showing by the Examiner must be set forth in a well reasoned statement that includes a detailed explanation why the claimed invention has no specific and substantial credible utility. M.P.E.P. § 2107.02. If the Examiner determines that an asserted utility is not specific or substantial, “a *prima facie* showing must establish that it is more likely than not that a person of ordinary skill in the art would not consider that any utility asserted by the applicant would be specific and substantial.” M.P.E.P. § 2107.02. The *prima facie* showing must contain the following elements:

- (A) An explanation that clearly sets forth the reasoning used in concluding that the asserted utility for the claimed invention is neither both specific and substantial nor well-established;
- (B) Support for factual findings relied upon in reaching this conclusion; and
- (C) An evaluation of all relevant evidence of record, including utilities taught in the closest prior art.

M.P.E.P. § 2107.02.

In support of the rejection, the Examiner has provided no analysis other than a conclusory statement that “a right is not tangible.” However, the Examiner must set forth in a well reasoned statement, including a detailed explanation, why the claimed invention has no specific or substantial utility. *See* M.P.E.P. § 2107.02. Furthermore, the Examiner’s *prima facie* showing must contain an evaluation of all relevant evidence of record, including utilities taught in the closest prior art. *Id.* In addition to a lack of detailed explanation, the Examiner has failed to use any prior art of record as support for his rejection under section 101. It is clear that, the Examiner has failed to establish a *prima facie* case that the pending claims lack utility. Thus, the rejection based on 35 U.S.C. § 101 should be withdrawn.

Independent claim 1 recites a method for dynamically assigning usage rights to digital content. The usage rights include data specifying an authorized use that can be enforced by a repository. The method recited in claim 1 results in digital content that can only be used in an authorized manner. However, the manner can be determined dynamically by assigning the rights to content based on dynamic conditions. This clearly is a tangible and useful result. The practical need and use for controlling use of digital content is set forth in the background portion of the specification. For at least these reasons, independent claim 1 along with

dependent claims 2-17, recite patentable subject matter that produce tangible, concrete, and non-abstract results. Therefore, the rejection based on 35 U.S.C. § 101 should be withdrawn.

Claims 2, 21, and 38 stand rejected based on 35 U.S.C. Sect. 112, second paragraph. However, these claims were cancelled without prejudice or disclaimer in the Amendment filed on July 25, 2007. Accordingly, this rejection has become moot and should be withdrawn. These claims have been cancelled solely to narrow the scope of issues raised by the Examiner in the Office Action. Applicants reserve the right to add the claimed subject matter to this application or a continuing application at a later date.

Claims 1, 2, 6, 8-16, 18-21, 25, 27-35, 37-39, 43 and 45-53 stand rejected based on 35 U.S.C. Section 102(b) as being anticipated by USP 5,638,443 (Stefik). This rejection is traversed based on the arguments set forth below.

The Examiner indicates that Stefik teaches dynamically assigning rights based on dynamic conditions. However, Stefik teaches that conditions can be part of a usage right and that the authorized use defined by the right can include conditions. For example, at col. 18, lines 9-26, Stefik discloses that a right has a transactional component 1451 that corresponds to a manner of use, and a specifications component 1452 that corresponds to conditions. The usage rights disclosed in Stefik, including a manner of use and conditions for example, are assigned, to content. See Fig. 1 step 102 and col. 6, lines 16-49. Conditions of the assigned rights can then be considered after assignment of the rights. In contrast, the claims recite that the usage rights are *assigned* based on dynamic conditions. The term “assignment”, as used in the specification, clearly refers to the association between the rights and the content. Prior to assignment, the rights are not associated with the content. See paragraph 009 of the application for example.

For example, the Examiner cites column 18, lines 50-56 and column 21, lines 32-22 of Stefik as supporting the rejection. However, these portions of the cited reference relate to the use of conditions that are part of the usage right. In other words, the conditions are part of the specification of authorized use. The conditions noted by the examiner are not used for assigning the rights to content but are part of the rights themselves.

In the claimed invention, the usage rights are assigned to content based on dynamic conditions occurring before, or at the time of association of the rights with content. This

permits simple and efficient rights to be assigned to content while permitting the authorized use of the content to be determined based on the status of a dynamic condition at the time of, or before, determination of the authorized use of the content. For these reasons, the invention, as recited in the amended claims is novel over the prior art.

Claims 3, 4, 5, 7, 22, 23, 24, 26, 40, 41, and 44 stand rejected based on 35 U.S.C. section 103 as being obvious over Stefik in view of secondary references. However, the secondary references fail to cure the deficiencies of Stefik noted above. Accordingly, the rejections based on 35 U.S.C. section 103 should be withdrawn.

Claims 17, 36, and 54 stand rejected based on 35 U.S.C. section 103(a) as being obvious over Stefik. The Examiner indicates that “the prior art is elastic enough to encompass a user establishing a time period (column 18, lines 50-56) just prior to the actual distribution time . . . .” Applicant does not see how this relates to conditions for assigning usage rights. This conclusion by the Examiner, even if correct, does not cure the deficiencies of the prior art noted above. Again, the prior art does not teach assigning rights to content based on conditions.

For the reasons above, all of the pending claims are in condition for allowance and such allowance is solicited. However, if the Examiner deems that any issue remains after considering this response, the Examiner is invited to contact the undersigned attorney to expedite the prosecution and engage in a joint effort to work out a mutually satisfactory solution.

Respectfully submitted,

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